

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Board of Trustees and
Independent Citizens' Bond Oversight
Committee for Measure C
Marin Community College District
Novato, California

We have performed the procedures enumerated in Attachment II, which were agreed to by Marin Community College District (the "District") and the Independent Citizens' Bond Oversight Committee for Measure C (the "Committee"), solely to assist the Committee in evaluating District management's assertions concerning disbursements of bond funds for the six months ended December 31, 2010. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the District and the Committee. Consequently, we make no representation regarding the sufficiency of the procedures described in Attachment II either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and conclusions reached as a result of these procedures are identified in Attachment II. Attachment I contains background information about the Measure C Bonds. Attachment III is a listing of the expenditures tested.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed other procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of Marin Community College District and the Independent Citizens' Bond Oversight Committee for Measure C and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Perry-Smith LLP

April 11, 2011

**MARIN COMMUNITY COLLEGE DISTRICT
BACKGROUND INFORMATION**

LEGISLATIVE HISTORY

On November 7, 2000, California voters approved Proposition 39, the Smaller Classes, Safer Schools, and Financial Accountability Act. Proposition 39 amended portions of the California Constitution to provide for the issuance of general obligation bonds by school districts, community college districts, or county offices of education, "for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities", upon approval by 55% of the electorate.

MARIN COMMUNITY COLLEGE DISTRICT GENERAL OBLIGATION BONDS, MEASURE C

The Marin Community College District, Marin County, California Election of 2004 General Obligation Bonds, Measure C were authorized at an election of the registered voters of the Marin Community College District held on November 2, 2004 at which more than fifty-five percent of the persons voting on the proposition voted to authorize the issuance and sale of \$249,500,000 principal amount of general obligation bonds of the District. The Bonds are being issued to finance the acquisition, construction and modernization of certain District property and facilities. The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes. The text of the ballot language was as follows:

To repair and rehabilitate school buildings for student health and safety, qualify for State matching funds, upgrade inadequate plumbing, electrical, heating and ventilation systems, renovate restrooms, repair deteriorating roofs, repair dry rot, upgrade fire safety systems, provide needed classrooms and make other improvements to school sites and buildings, shall Marin Community College District issue \$249.5 million of bonds at any legally authorized interest rates, with annual audits and citizens oversight?

**MARIN COMMUNITY COLLEGE DISTRICT
PROCEDURES PERFORMED AND CONCLUSIONS**

PROCEDURES PERFORMED

Marin Community College District provided a list of all Measure C project expenditures (the "List"). An approximate total of 700 expenditures were identified representing \$13,849,050 in expenditures from July 1, 2010 to December 31, 2010. We performed the following procedures to the List of Measure C bond expenditures:

- Verified the mathematical accuracy of the List.
- Selected a sample of 50 expenditures totaling \$11,213,982. The sample was selected to provide a representation across specific construction projects, vendors, and expenditure amounts. The sample represented 7% of the total number of expenditures and 81% of the total expenditure value.
- Agreed selected expenditures to vendor invoices and cancelled warrants noting the date and amount of the expenditure, and that the funds were expended for the construction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities and that funds were not spent for District administrative or instructional salaries or other administrative expenses.

CONCLUSIONS

- The List was mathematically accurate.
- Each of the 50 expenditures tested represented valid Bond expenditures, were properly charged to the location indicated, were properly coded as to the nature of the expenditure and were determined to represent construction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities and were not spent for District administrative or instructional salaries or other administrative expenses.

**MARIN COMMUNITY COLLEGE DISTRICT
EXPENDITURES TESTED**

July 1, 2010 through December 31, 2010

<u>Warrant Number</u>	<u>Warrant Date</u>	<u>Description</u>	<u>Amount</u>
92876	August 3, 2010	Al Heffley, Inc.	\$ 6,335
93066	August 16, 2010	Di Giorgio Contracting Company, Inc.	268,956
93142	August 20, 2010	4Leaf, Inc.	20,000
93173	August 24, 2010	Jeff Luchetti Construction, Inc.	1,171,359
93174	August 24, 2010	Jeff Luchetti Construction, Inc.	134,985
93210	August 24, 2010	Swinerton Management and Consulting	58,953
93210	August 24, 2010	Swinerton Management and Consulting	38,682
93210	August 24, 2010	Swinerton Management and Consulting	20,707
93288	August 30, 2010	Di Giorgio Contracting Company, Inc.	239,023
93288	August 30, 2010	Di Giorgio Contracting Company, Inc.	31,147
93310	August 31, 2010	Kate Keating Associates	5,900
93315	August 31, 2010	Lathrop Construction Associates, Inc.	362,389
93383	September 7, 2010	ED2 International Architects/Planne	72,454
93632	September 14, 2010	Gary Proctor Construction Consultant	19,360
93786	September 20, 2010	Ballard & Watkins Construction Services	19,227
93787	September 21, 2010	Di Giorgio Contracting Company, Inc.	54,934
93802	September 21, 2010	Di Giorgio Contracting Company, Inc.	494,404
93802	September 21, 2010	Di Giorgio Contracting Company, Inc.	323,704
94051	September 27, 2010	Jeff Luchetti Construction, Inc.	1,280,742
94052	September 27, 2010	Jeff Luchetti Construction, Inc.	142,305
94185	October 5, 2010	Alfa Tech	9,251
94220	October 5, 2010	Evisions	1,320
94234	October 5, 2010	Lathrop Construction Associates, Inc.	286,506
94339	October 12, 2010	Di Giorgio Contracting Company, Inc.	434,330
94354	October 12, 2010	Gary Proctor Construction Consultant	20,350
94489	October 18, 2010	Di Giorgio Contracting Company, Inc.	249,199
94557	October 19, 2010	Transitions, Inc.	20,280
94741	October 29, 2010	Di Giorgio Contracting Company, Inc.	37,632
94754	October 29, 2010	Di Giorgio Contracting Company, Inc.	338,687
94772	October 29, 2010	LSA Associates, Inc.	2,715
94980	November 9, 2010	Jeff Luchetti Construction, Inc.	1,376,889
94981	November 9, 2010	Jeff Luchetti Construction, Inc.	152,988
95078	November 16, 2010	Di Giorgio Contracting Company, Inc.	639,914
95161	November 23, 2010	4Leaf, Inc.	37,825
95213	November 23, 2010	Jeff Luchetti Construction, Inc.	655,952
95214	November 23, 2010	Jeff Luchetti Construction, Inc.	72,884
95220	November 23, 2010	Lathrop Construction Associates, Inc.	550,927
95233	November 23, 2010	Lathrop Construction Associates, Inc.	31,834
95434	December 7, 2010	Alfa Tech	2,900
95468	December 7, 2010	Edu Tracks	9,317
95496	December 7, 2010	Mobile Modular Management	882
95520	December 7, 2010	Sehi Computer Products	30,303
95614	December 13, 2010	Jeff Luchetti Construction, Inc.	739,102
95615	December 13, 2010	Jeff Luchetti Construction, Inc.	82,122
95624	December 13, 2010	LSA Associates, Inc.	5,726
95626	December 15, 2010	Marcy Wong & Donn Logan Architects	57,738
95668	December 15, 2010	Sensible Environmental Solutions, Inc.	9,258
95762	December 20, 2010	Lathrop Construction Associates, Inc.	331,403
95790	December 20, 2010	Patterson Dental Supply, Inc.	257,474
95790	December 20, 2010	Patterson Dental Supply, Inc.	2,708
Total expenditures tested			<u>\$ 11,213,982</u>